



**MANZ AG**

**CONFERENCE CALL 3M RESULTS 2012**

**MAY 11, 2012 / DIETER MANZ, MARTIN HIPPEL**

**HIGH TECH  
FOR A  
GREEN FUTURE!**

## **Mission Statement**

Manz AG is one of the world's leading suppliers of high-tech manufacturing equipment for key technologies of our times, such as sustainable power generation, displays for global communication needs and e-mobility.

## **Motivation**

- Vital importance to growth industries to cut production costs in very short cycles
- Further development of the end product itself leads to new production technologies and processes
- With advanced equipment Manz actively contributes to make end products available to the mass market and helps to protect our environment





## Advantages of Manz strategy

- High synergies in use of base technologies
- Highest integration degree in the production process. Manz can thus realize significant cuts in production cost in very short cycles
- No dependency on the development of just one industry
- Manz has worldwide sales, service, production and R&D
- Manz has technological advantages compared to local competitors and cost advantages compared to European competitors

- **First quarter of the year was expectably weak**

- Low order intake in fourth quarter of 2011
  - High uncertainty in PV industry
  - Temporary slowdown of growth in FPD business and OEM
  - Strong Q4 2011 led to low revenues in January and February
- Negative EBIT of € -4.9m due to decrease in sales and ongoing investments in new product developments and in process development at CIGS *Sinnoline* in Schwäbisch Hall
- Manz was only slightly effected by downturn in solar industry.
- Due to our diversification strategy we were not that much involved in the solar boom 2011 than some of our peers
  - Order cancellations only at about 1 million Euro
  - Some projects with postponed shipment schedules (about 9 million Euro) – but very low risk of cancellation as all these projects are within the Tier 1 customers
- No unexpected risks in our balance sheet

- **Good prospects** to reach our goals in 2012

***“Level of sales comparable or higher to 2011 with improved positive result”***

- Strong order intake in first quarter of the year
  - New orders for FPD and Li-Ion equipment total up to €73.0m.  
Order intake has been one of the best ones in Manz history!
- Result of second quarter will overcompensate the loss in first quarter
  - second quarter will become positive already
- Strong focus on increase of our profitability by
  - High synergy effects between strategic business units
  - Ability to increase sales prices due to unique technological solutions
  - Excellent market position in China
  - Expansion of local production in China

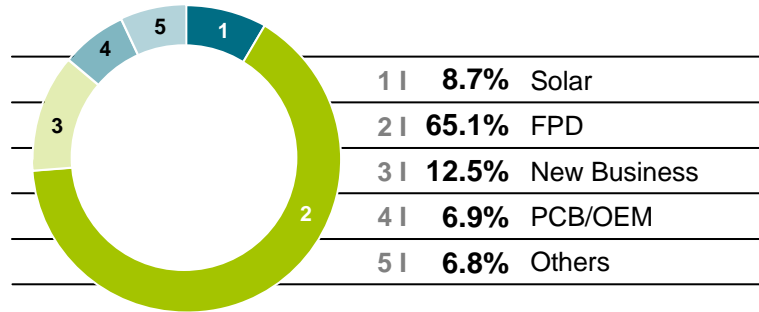
- **Ongoing high demand for high-tech manufacturing solutions in growth markets of FPD industry**
  - Success of diversification strategy
    - New applications for screen printing and laser processing machines in production of smart phones and tablet computers
    - Technology was originally developed for crystalline solar cell production
    - Big orders in this field in first and second quarter
      - will compensate the missing revenue of solar in the first half year
    - Very high potential for follow-up orders as smartphone and tablet computer market is growing very fast
  - Manz is market leader in wet chemical processing tools for the touch panel manufacturing
  - Introduction of new PVD coating tools for touch panels
    - High synergies with tools that had been developed for CIGS solar

- **Very fast growth of Li-Ion battery market**
  - Manz received very big follow-up orders from key customer
  - Successful first projects in US
  - Very high potential for new orders
  
  - Equipment for Li-Ion batteries will be our fastest growing segment in 2012  
Revenues will at least double compared to 2011
  
- **Excellent market position in Asia**
  - Inauguration of new fab in Suzhou on May 15th.
    - Manz is able to offer German engineering and quality at local prices
    - Production capacity in Asia for FPD and PV equipment grows threefold
  - Transfer of PV equipment to local production will help us to benefit more from the next investment cycle of the PV industry.

# FINANCIAL FIGURES

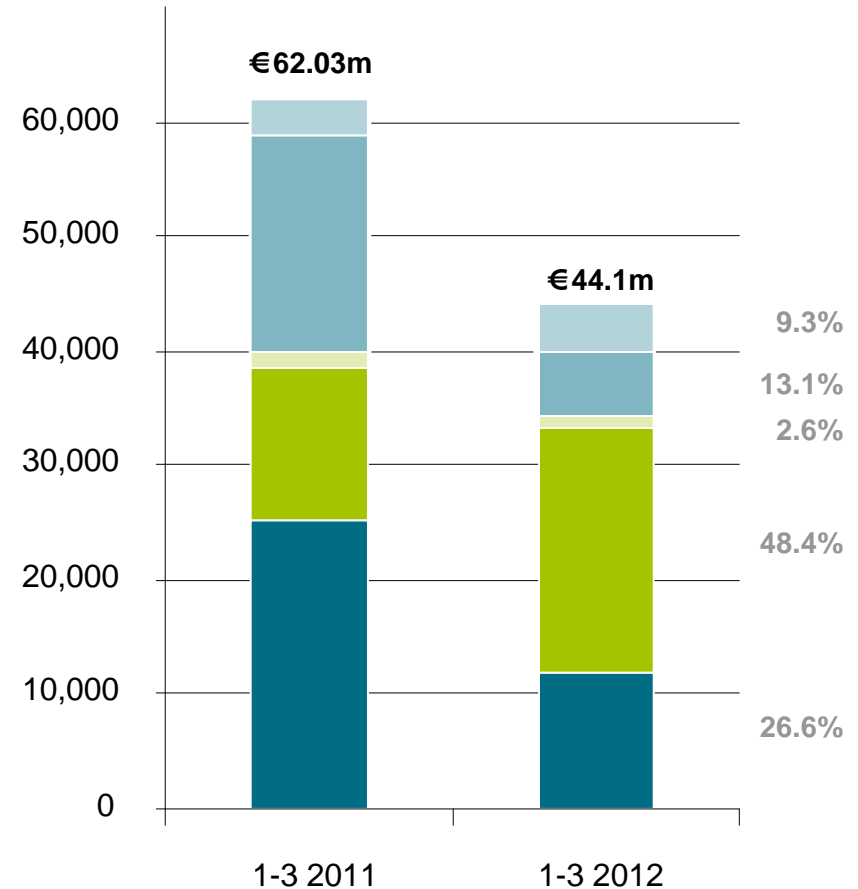


## Order Backlog: €104.2m as of March 31, 2012



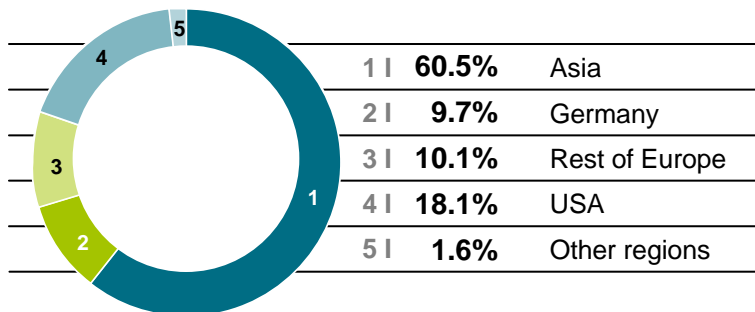
## Revenues by business units

in Euro thousand



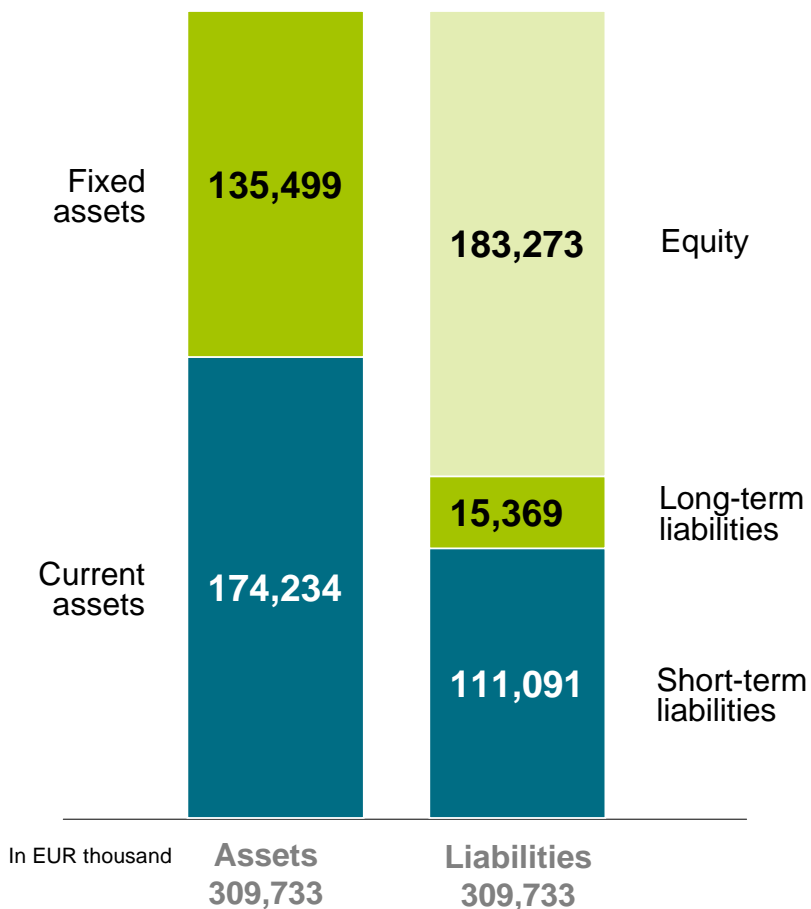
## Revenues by region

As of March 31, 2012



in TEUR	Jan.1 – Mar. 31 2012	Jan.1 – Mar. 31 2011
Revenues	44,107	62,032
Total operating revenue	46,618	65,353
Cost of materials	23,232	41,257
Personnel expenses	17,498	15,476
Other expenses	9,982	7,033
EBIT	-4,930	0,175
EBT	-5,216	0,072
Net income for the period	-5,418	-0,673

- Revenues are at € 44,1m (previous year: € 62.0m) due to strong turnover in 4<sup>th</sup> quarter 2011 and low order intake end of 2011
- For the same reasons the total operating revenue decreased to € 46,6m compared to € 65,4m in the reference period in 2011
- Material cost ratio improved to 49.8% (previous year: 63.1%)
- Personnel cost ratio increased from 23.7% to 37.5% due to additional personnel costs in Schwäbisch Hall and employment of highly skilled staff
- As a result of this the EBIT is at € -4.9m (previous year: € 0.2)
- EBT of € -5.2m compared to € -0.1m last year



- Equity rate with 59.2% is at a good level and reflects the solid balance sheet
- Long-term liabilities increased slightly from € 12.0m to € 15.4m, particularly due to loan for financing new facility in Suzhou
- Short term liabilities slightly reduced since the beginning of the year mainly by reducing accounts payables
- Fixed assets increased moderately to € 135.5m from € 130.0m at the end of 2011 because of increase in tangible assets (CIGSinnoline in Schwäbisch Hall, new fab in Suzhou)
- Current assets decreased from € 188.2m in 2011 to € 174.2m. Main reason is reduction of cash to finance working capital and payments made to suppliers
- As a result the net debt is at € 37m after € 17,2m at the end of the previous year

in TEUR	As of Mar. 31 2012	As of Mar. 31 2011
Cash flow from operating activities	-11,908	-16,357
Cash flow from investing activities	-7,437	-6,763
Cash flow from financing activities	6,766	16,370
Cash	20,418	30,430

- Operating cash flow is at € -11.9m due to the reduction of accounts payable and the negative result
- Negative cash flow from investments as a result of acquiring intangible assets and capitalized R&D as well as property, plant and equipment (new fab in Suzhou)
- Cash flow from financing activities is driven by using credit lines from our banks
- The cash position lowered to € 20m due to the mentioned developments

- Diversification strategy will enable us to reach our goals for 2012
  - Growth in Revenue and improved positive profit
  - Strong growth of FPD and Li-Ion business will fully compensate the downturn in solar business
- Huge retrofit potential in PV for upgrading existing production lines in order to make them profitable again and huge replacement potential of existing capacities
- Start of production in new facility in Suzhou
  - Production site for existing FPD-equipment and expansion to photovoltaic equipment
  - German engineering can be sold at local price level
- Key target of 2012 will be the sale of a CIGSfab, our fully integrated production line for the manufacture of CIGS thin-film solar modules

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